

Message Text

PAGE 01 USUN N 01736 01 OF 02 092219 Z

63

ACTION IO-13

INFO OCT-01 ADP-00 AF-10 ARA-11 EA-11 EUR-25 NEA-10 RSC-01

CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03 NSAE-00 NSC-10

PA-03 PRS-01 SS-15 USIA-12 AID-20 EB-11 OMB-01 TRSE-00

HEW-08 ABF-01 RSR-01 /189 W
----- 018770

R 092139 Z MAY 73

FM USMISSION USUN NY

TO SECSTATE WASHDC 7887

UNCLAS SECTION 1 OF 2 USUN 1736

E. O. 11652: NA

TAGS: SGEN

SUBJ: UNICEF EXECUTIVE BOARD-- ADMINISTRATIVE BUDGET
COMMITTEE

SUMMARY: THE ADMINISTRATIVE BUDGET COMMITTEE CONVENED TO 1) APPROVED THE REPORT OF COMMITTEE'S SESSION; 2) APPROVE THE BUDGET FOR A MANAGEMENT SURVEY; AND 3) APPROVE THE EXECUTIVE DIRECTOR'S RECOMMENDATION FOR 10 ADDITIONAL PROFESSIONAL STAFF. THE COMMITTEE APPROVED THE DRAFT REPORT WITH SOME MINOR CHANGES. THE MANAGEMENT SURVEY WILL BE UNDERTAKEN AT THE ESTIMATED COST OF \$150,000. THE U. S. AND FRANCE OPPOSED RECRUITMENT OF 10 NEW PROFESSIONALS STAFF. AFTER MUCH DISCUSSION THE COMMITTEE FINALLY AGREED THAT THE EXECUTIVE DIRECTOR COULD RECRUIT 5 STAFF MEMBERS IN 1973. IF THE MANAGEMENT SURVEN FOUND THAT PERSONNEL WAS NEEDED THE EXECUTIVE DIRECTOR COULD RECRUIT THE FIVE ADDITIONAL PROFESSIONALS. END SUMMARY.

1. THE ADMINISTRATIVE BUDGET COMMITTEE WAS RECONVENED 7 MAY FOR THE PURPOSE OF APPROVING REPORT OF THE COMMITTEE'S SESSION, 26-27 APRIL, THE COST OF THE MANAGEMENT SURVEY AND THE 10 ADDITIONAL PERSONNEL REQUESTION IN DOC E/ ICEF/ AB/ L.126/ ADD.1.
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PAGE 02 USUN N 01736 01 OF 02 092219 Z

2. THE INDONESIAN DEL REQUESTED FURTHER EXPLANATIONS FROM THE SECRETARIAT REGARDING THE COST OF THE PARIS-GENEVA MOVE. HE NOTED THAT ARTISTS TO DESIGN GREETING CARDS FOR THE ASIA D AT THEIR OWN EXPENSE (\$3-\$5). THE MISSION NEEDS TO

KNOW AS SOON AS POSSIBLE HOW MANY TICKETS WILL BE NEEDED
AND PARTICIPANTS WHO WOULD LIKE TO HAVE TICKETS PURCHASED
IN THEIR BEHALF SHOULD INFORM US MISSION, BERLIN DIRECTLY.

5. US MISSION, BERLIN ALSO REMINDS ALL PARTICIPANTS THAT
MOST US FACILITIES WILL BE CLOSED FOR MEMORIAL DAY MAY 28
AND MANY GERMAN FACILITIES WILL BE CLOSED ASCENSION DAY
MAY 3 L WHICH IS A GERMAN LEGAL HOLIDAY. ROGERS

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PAGE 01 USUN N 01736 02 OF 02 092223 Z

63
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HEW-08 RSR-01 /188 W
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R 092139 Z MAY 73
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UNCLAS SECTION 2 OF 2 USUN 1736

AT THIS TIME, THEREFORE, MR. CHAIRMAN, MY DELEGATION
CANNOT APPROVE THE PROPOSAL FOR 10 ADDITIONAL POSTS
AS PRESENTED IN THE PAPER BEFORE US." END QUOTE

11. THE FRENCH DEL AGREED COMPLETELY WITH THE US
STATEMENT.

12. THE PHILIPPINE DEL AGREED THAT THE PERSONNEL POLICY
SHOULD BE STUDIED BUT SUPPORTED THE INCREASE IN STAFF.

13. THE PAKISTAN DEL SUPPORTED THE RECOMMENDATION OF
THE EXECUTIVE DIRECTOR BUT ALSO SUPPORTED
THE US IN ASKING FOR A PERSONNEL POLICY. HE ALSO
SUGGESTED THAT UNICEF RECRUIT A LARGER NUMBER OF
PROFESSIONAL STAFF FROM THE DEVELOPING COUNTRIES.

14. THE DEL OF INDIA SUPPORTED THE PHILIPPINE REP
SAYING THAT PERSONNEL SHOULD BE HIRED AS SOON AS
POSSIBLE. HE FELT THERE WAS NOTHING TO BE GAINED BY
STUDYING THE GAP IN PERSONNEL AT THIS TIME. HE
RECOMMENDED THAT MORE PERSONNEL BE RECRUITED
FROM DEVELOPING COUNTRIES AND SAID IF THERE WERE LEGAL

QUESTIONS REGARDING SUCH EMPLOYMENT, THEY SHOULD BE
IRONED OUT.
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PAGE 02 USUN N 01736 02 OF 02 092223 Z

15. THE URUGUAY DEL AGREED WITH EXECUTIVE DIRECTOR
THAT NEW PERSONNEL SHOULD BE TRAINED. THE DEL
THEN SUGGESTED THAT THE ISSUE BE REFERRED TO THE
EXECUTIVE BOARD IF IT COULD NOT BE RESOLVED BY THE
COMMITTEE.

16. LABOUISSSE SAID THAT THE TEN PEOPLE WERE NOT 1974
BUT THOSE RECRUITED WOULD BE TRAINED AND WOULD BECOME
FHEDULE
(WITH RATE BINDINGS IDENTICAL TO THOSE IN THE SCHEDULE
OF THE SIX, BUT WITH DIFFERENT PATTERN OF RIGHTS IN
SCHEDULE OF THE NINE). ALTHOUGH EC REP HAS NOT SAID
THIS, USDEL BELIEVES EC INTENDS INsofar AS POSSIBLE
AVOID ANY CHANGES IN CXT DUTY RATES. RATHER EC WOULD
SEEK TO SATISFY NEGOTIATION CLAIMS MERELY BY OFFERING
NEGOTIATING RIGHTS IN SCHEDULE OF NINE.

US REP STATED US THOUGHT NEGOTIATIONS SHOULD LIMIT
AREA OF DATA CONSIDERED JOINTLY, CONCENTRATE ON ITEMS
WHERE US HAS CLAIMS BASED ON DUTY INCREASES AND WITH-
DRAWALS OF BINDINGS IN ACCEDING COUNTRIES (AS REQUIRED BY
ARTICLE XXIV:6) AND THEN LOOK AT EC OFFER. THIS WOULD
HAVE ADVANTAGE OF LIMITING DATA TO BE CONSIDERED JOINTLY.
EC APPROACH WOULD BE TIME- CONSUMING, AND COULD RESULT
IN DANGEROUS ESCALATION OF CLAIMS AND, IN EVENT AGREE-
MENT NOT REACHED. IN EXTENSIVE WITHDRAWALS. THEREFORE
US WISHED TO STUDY EC PROPOSAL FURTHER BEFORE PROCEEDING.
END SUMMARY

1. EC REP (LUYTEN) EXPLAINED EC CONCEPT OF NEGOTIATIONS.
EC INTENDS WITHDRAW SCHEDULES OF UK, DENMARK, IRELAND
AND EC OF SIX. WHERE CXT ITEM FOR SIX IS PRESENTLY
BOUND, EC OFFER IS TO BIND SAME DUTY FOR NINE. US
CREDITS ON DUTIES COLLECTED BASIS RESULTING FROM IN-
CREASES IN ACCEDING COUNTRIES' BOUND DUTIES TO CXT BOUND
RATES WILL BE MATCHED OFF AGAINST US DEBITS (DUTIES
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PAGE 03 GENEVA 02176 092006 Z

COLLECTED BASIS) ARISING FROM ACCEDING COUNTRIES' BOUND
DUTIES DECREASING TO BOUND CXT. WHEN RATES IN ACCEDING
COUNTRIES ARE UNBOUND AND ARE MOVING TO BOUND LEVELS IN
CXT, OR ARE BOUND IN ACCEDING COUNTRIES' SCHEDULES AND BE-
COMING UNBOUND IN CXT, (AS IS THE CASE OF MOST VARIABLE
LEVY CAP ITEMS) EC WILL EVALUATE US CREDITS AND DEBITS
ONLY ON BASIS OF TRADE COVERAGE. EC CONTENTS IMPOSSIBLE

TO MEASURE CHANGES IN DUTIES MOVING FROM BOUND TO UN-
BOUND OR FROM UNBOUND TO BOUND LEVELS, SINCE CPS
CAN ALTER UNBOUND DUTIES AT WILL.

2. TOWARD END OF NEGOTIATIONS EC INTENDS OFFER SOME
INRS IN SCHEDULE OF NINE, BUT IN MOST CASES FUTURE
NEGOTIATING RIGHTS WOULD TAKE FORM OF FLOATING INR
ACCRUING TO PRINCIPAL SUPPLIER OF NINE. THIS OFFER
IS INTENDED TO BALANCE OFF AGAINST LOSSES OF INITIAL
NEGOTIATING RIGHTS AND SUPPLIER RIGHTS IN THE PRESENT
GATT SCHEDULES OF THE FOUR CONSTITUENT TERRITORIES.

3. TO EXPEDITE JOINT EXAMINATION OF EC DATA, EC REP
PROPOSED LOOKING AT ALL CXT ITEMS FOR WHICH US IMPORTS
INTO NINE ARE GREATER THAN \$100,000.

4. US REP (PROPPS) CONTRASTED EC PROPOSED EXAMINATION
WITH US CONCEPT OF HOW NEGOTIATIONS SHOULD PROCEED. US
AND EC ARE TO CONCLUDE NEGOTIATIONS BY END OF JULY
IN VIEW OF UPCOMING MTN. THE ESSENTIAL BODY OF US
CLAIMS ARE THOSE ARISING FROM WITHDRAWALS OF BINDINGS
AND FROM INCREASES OF DUTIES HITHERTO BOUND IN ACCEDING
COUNTRIES' SCHEDULES. EC APPROACH, IN PARTICULAR
EXAMINATION OF WITHDRAWAL OF SCHEDULE OF SIX, WOULD IN-
VOLVE MUCH WORK NOT DIRECTLY RELATED TO THE PROPOSED
DUTY INCREASES. EC APPROACH WOULD UNNECESSARILY RISK
ESCALATION OF STAKES IN NEGOTIATIONS, SINCE EXPLICIT
ATTENTION TO RIGHTS IN SCHEDULE OF SIX AND TO CON-
SEQUENCES OF THEIR WITHDRAWAL COULD LEAD TO UNDESIRABLE
PRESSURES ON GOVERNMENTS AND POSSIBLY UNREVELLING OF
GATT CONCESSIONS. US WOULD ALSO FIND IT DIFFICULT
TO PROCEED WITH EXAMINATION OF ENTIRE CXT BEFORE EC
HAS SPECIFIED WHICH ITEMS IN SCHEDULE OF NINE ARE TO BE
BOUND TO US.

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PAGE 04 GENEVA 02176 092006 Z

5. US REP STRESSED US WOULD PREFER NEXT STEP IN
NEGOTIATIONS BE EXAMINATION OF US NET CLAIMS ON EACH
ITEM BOUND IN ONE OR MORE ACCEDING COUNTRIES FOLLOWED
BY ANALYSIS OF EC PROPOSED OFFER IN COMPENSATION FOR US
CLAIMS. UNDER CIRCUMSTANCES, US DEL RESERVED ON EC PROPOSED
EXAMINATION UNTIL EC APPROACH COULD BE FURTHER STUDIED,
AND UNTIL EC HAS PREPARED A WRITTEN STATEMENT OF HOW EC
CONSIDERS EXAMINATION SHOULD PROCEED.

6. EC REP RESPONDED STATING EC HAD MADE IT CLEAR FROM
BEGINNING THAT EC INTENDED TO WITHDRAW SCHEDULE OF SIX.
WITHDRAWAL WAS OBVIOUSLY NECESSARY BECAUSE LEGAL RIGHTS
IN SCHEDULE OF SIX COULD NOT APPROPRIATELY BE APPLIED
TO A COMMUNITY OF NINE. EC REP FELT US WISHED TO CIR-
CUMSCRIBE NEGOTIATIONS UNREASONABLY BY LOOKING AT ONLY

PART OF EC PROPOSAL, I. E., THE UNBINDINGS AND THE HIGHER CXT RATES WHICH WILL REPLACE LOWER BOUND DUTIES IN ACCEDING COUNTRIES, WHILE EXAMINATION SHOULD GIVE EQUAL ATTENTION TO ALL ASPECTS OF PROPOSAL. HE ALSO FELT US REP WAS EXAGGERATING RISKS INVOLVED IN EXPANDING NEGOTIATIONS PROCEDURE TO INCLUDE EXAMINATION NOW OF CLAIMS ARISING FROM WITHDRAWAL OF SCHEDULE OF SIX.

7. EC DELEGATION ALSO EXPLAINED BACKGROUND DOCUMENTS EC HAS PREPARED FOR THE EXAMINATION OF THE CXT OF NINE. THEY ARE " FICHES DE NEGOTIATION" FOR 4,800 CXT ITEMS COVERING DUTIES, BINDINGS, TRADE, AND SUPPLIER POSITIONS OF THIRD COUNTRY CPS FOR FOUR CUSTOMS TERRITORIES OF ENLARGED EC. EC INTENDS GIVE US DEL A SET OF THESE DOCUMENTS. SIMILAR SETS HAVE BEEN PROPOSED FOR OTHER NEGOTIATING PARTNERS OF EC.

8. US DEL PREPARING COMMENTS ON EC PROPOSAL.
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<< END OF DOCUMENT >>

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